

AD-A166 527

DEPARTMENT OF THE NAVY JUSTIFICATION OF ESTIMATES FOR FISCAL YEAR 1987



SUBMITTED TO CONGRESS FEBRUARY 1986

PROCUREMENT

SHIPBUILDING AND CONVERSION,
NAVY

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REPORT DOCUMENTATION PAGE

1a. REPORT SECURITY CLASSIFICATION UNCLASSIFIED			1b. RESTRICTIVE MARKINGS		
2a. SECURITY CLASSIFICATION AUTHORITY			3. DISTRIBUTION / AVAILABILITY OF REPORT APPROVED FOR PUBLIC RELEASE DISTRIBUTION UNLIMITED		
2b. DECLASSIFICATION / DOWNGRADING SCHEDULE			5. MONITORING ORGANIZATION REPORT NUMBER(S)		
4. PERFORMING ORGANIZATION REPORT NUMBER(S)			7a. NAME OF MONITORING ORGANIZATION SAME AS 6a		
6a. NAME OF PERFORMING ORGANIZATION OFFICE OF THE NAVY COMPTROLLER NCRG-2		6b. OFFICE SYMBOL (If applicable)	7b. ADDRESS (City, State, and ZIP Code) SAME AS 6c		
6c. ADDRESS (City, State, and ZIP Code) OFFICE OF THE NAVY COMPTROLLER PROGRAM / BUDGET COORDINATION BRANCH WASHINGTON, D.C. 20350			9. PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER		
8a. NAME OF FUNDING / SPONSORING ORGANIZATION SAME AS 6a		8b. OFFICE SYMBOL (If applicable)	10. SOURCE OF FUNDING NUMBERS		
8c. ADDRESS (City, State, and ZIP Code) SAME AS 6c			PROGRAM ELEMENT NO.	PROJECT NO.	TASK NO.
			WORK UNIT ACCESSION NO.		
11. TITLE (Include Security Classification) DEPARTMENT OF THE NAVY JUSTIFICATION OF ESTIMATES FOR FISCAL YEAR 1987 SHIPBUILDING AND CONVERSION, NAVY (U)					
12. PERSONAL AUTHOR(S)					
13a. TYPE OF REPORT FINAL		13b. TIME COVERED FROM 86-10-1 TO 87-9-30		14. DATE OF REPORT (Year, Month, Day) FEBRUARY, 1986	
15. PAGE COUNT 34					
16. SUPPLEMENTARY NOTATION					
17. COSATI CODES			18. SUBJECT TERMS (Continue on reverse if necessary and identify by block number)		
FIELD	GROUP	SUB-GROUP			
19. ABSTRACT (Continue on reverse if necessary and identify by block number)					
<p>THIS VOLUME CONTAINS JUSTIFICATION MATERIAL SUPPORTING THE PRESIDENT'S FISCAL YEAR 1987 BUDGET PRESENTATION TO CONGRESS.</p> <p><i>Included in data pertaining to the 1987 PFI</i></p>					
20. DISTRIBUTION / AVAILABILITY OF ABSTRACT <input type="checkbox"/> UNCLASSIFIED UNLIMITED <input checked="" type="checkbox"/> SAME AS RPT. <input type="checkbox"/> DTIC USERS			21. ABSTRACT SECURITY CLASSIFICATION		
22a. NAME OF RESPONSIBLE INDIVIDUAL ANGIE MORRIS			22b. TELEPHONE (Include Area Code) (202) 697-0747		22c. OFFICE SYMBOL NCRC-2

AD-A166527

REPORT DOCUMENTATION PAGE

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DEPARTMENT OF THE NAVY
SHIPBUILDING AND CONVERSION, NAVY

JUSTIFICATION OF ESTIMATE FOR FISCAL YEAR 1987

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SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefore, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title [as follows: TRIDENT ballistic missile submarine program, \$1,354,700,000; SSN-688 attack submarine program, \$2,609,600,000; Battleship reactivation program, \$469,000,000; Aircraft carrier service life extension program, \$52,000,000; CG-47 cruiser program \$2,652,500,000; DDG-51 destroyer program \$74,000,000: Provided, that the Secretary of the Navy shall select a second source, by the most expeditious means available, for the CG-47 and DDG-51 SPY-1 radar, AEGIS production test center, shipyard and shipboard combat system integration; AEGIS color graphic display systems; solid state frequency converters; and propellers in order to begin competition between the current contractors and the second source contractors in fiscal year 1988: Provided further, that any such selection shall not adversely affect the CG-47 and DDG-51 shipbuilding program schedule and costs; LSD-41 landing ship dock program, \$403,400,000; LHD-1 amphibious assault ship program, \$1,313,600,000; MCM mine countermeasures ship program, \$197,200,000; MSH coastal mine hunter program \$184,500,000; TAO fleet oiler program \$278,500,000; TAGOS ocean surveillance ship program, \$115,100,000; T-AG acoustic research ship program, \$57,000,000; ARTB nuclear reactor training ship conversion program, \$175,400,000; T-ACS auxiliary crane ship conversion program, \$82,500,000; T-AVB logistic support ship program, \$26,900,000; LCAC landing craft program, \$307,000,000; strategic sealift program, \$228,400,000; for craft, outfitting, post delivery, and cost growth \$500,800,000; in all, \$10,840,400,000]; \$11,046,200,000 to remain available for obligation until September 30, [1990] 1993: Provided, that [within the total amount appropriated, the subdivisions within this appropriation shall be reduced by \$241,700,000: Provided further, That] additional obligations may be incurred after September 30, [1990] 1993, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction; and each Shipbuilding and Conversion, Navy appropriation that is currently available for such obligations may also hereafter be so obligated after the date of its expiration: Provided further, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel: Provided further, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards [: Provided further, That of the funds appropriated in fiscal year 1983 for the FFG-7 guided missile frigate program, \$40,000,000 previously available only for an X-band phased array radar shall be available for the fiscal year 1984 guided frigate program (FFG-61). The FFG-61 shall be equipped with the MK-92 fire control system, Phase II update]. (10 U.S.C. 5012, 5031, 7296, 7298; Department of Defense Appropriations Act, 1986, as included in Public Law 99-190; additional authorizing legislation to be proposed.)

Shipbuilding and Conversion, Navy
Program and Financing (in Thousands of dollars) FISCAL YEAR 1982

Identification code	17-1G11-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.
Program by activities:							
Direct program:							
00.0101	Fleet ballistic missile ships				31	704	
00.0201	Other warships				216,204	447,925	
00.0301	Amphibious ships				19,904	24,146	
00.0401	Mine warfare and patrol ships				55,944	167,373	
00.0501	Auxiliaries, craft, and prior-year program				98,343	115,196	
00.9'01	Total direct program				390,426	755,344	
01.0101	Reimbursable program					142	
10.0001	Total				390,426	755,486	
Financing:							
17.0001	Recovery of prior year obligations				-818		
21.4002	Unobligated balance available, start of year:						
21.4003	For completion of prior year budget plans						
21.4007	Available to finance new budget plans				-1,536,694	-755,486	
22.4001	Reprogramming from/to prior year budget plan						
24.4002	Unobligated balance transferred to other acc						
24.4003	Unobligated balance available, end of year:						
	For completion of prior year budget plans				755,486	391,600	
	Available to finance subsequent year budget				391,600		
39.0001	Budget authority						

Shipbuilding and Conversion, Navy
Program and Financing (in Thousands of dollars) FISCAL YEAR 1983

	Identification code	17-1611-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
			1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.
Program by activities:								
Direct program:								
00.0101	Fleet ballistic missile ships					27,615	128,226	262,155
00.0201	Other warships					373,508	589,093	2,030,949
00.0301	Amphibious ships					11,550	39,362	31,248
00.0401	Mine warfare and patrol ships					26,195	63,151	107,382
00.0501	Auxiliaries, craft, and prior-year program					93,490	105,636	155,385
00.9101	Total direct program					532,358	925,468	2,587,119
01.0101	Reimbursable program						297	
10.0001	Total					532,358	925,765	2,587,119
Financing:								
17.0001	Recovery of prior year obligations					-4,376		
21.4002	Unobligated balance available, start of year:					-4,723,121	-3,503,839	-2,578,074
21.4003	For completion of prior year budget plans					-36,300	-691,300	-626,200
21.4007	Reprogramming from/to prior year budget plan							
22.4001	Unobligated balance transferred to other accounts					36,300	65,100	
24.4002	Unobligated balance available, end of year:							
24.4003	For completion of prior year budget plans					3,503,839	2,578,074	-9,045
39.0001	Available to finance subsequent year budget					691,300	626,200	626,200
	Budget authority							

Shipbuilding and Conversion, Navy
Program and Financing (in Thousands of dollars) FISCAL YEAR 1984

Identification code	17-1611-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.
Program by activities:							
Direct program:							
00.0101	Fleet ballistic missile ships				9,135	81,007	160,377
00.0201	Other warships				730,139	313,312	37,065
00.0301	Amphibious ships				104,199	85,581	169,432
00.0401	Mine warfare and patrol ships				241,179	33,922	103,459
00.0501	Auxiliaries, craft, and prior-year program				231,779	94,718	18,523
00.9101	Total direct program				1,316,431	608,540	488,858
01.0101	Reimbursable program					308	
10.0001	Total				1,316,431	608,848	488,858
Financing:							
Offsetting collections from:							
14.0001	Non-Federal sources(-)				-284		
21.4002	Unobligated balance available, start of year:						
21.4003	For completion of prior year budget plans				-4,639,465	-2,961,018	-2,352,170
21.4007	Available to finance new budget plans				-48,800	-398,600	-151,900
22.4001	Reprogramming from/to prior year budget plan				-362,300		
22.4001	Unobligated balance transferred to other acc				12,500	246,700	
22.4001	Unobligated balance available, end of year:						
24.4002	For completion of prior year budget plans				2,352,170	1,863,314	
24.4003	Available to finance subsequent year budget				398,600	151,900	151,900
25.0001	Unobligated balance lapsing				36,300		
50.0001	Budget authority (Reappropriation)						
					36,300		

Shipbuilding and Conversion, Navy
Program and Financing (in Thousands of dollars) FISCAL YEAR 1985

Ident.ification code	17-16.1-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)				Obligations	
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.
Program by activities:							
Direct program:							
00.0101	Fleet ballistic missile ships	1,503,626			795,346	126,198	81,871
00.0201	Other warships	7,108,364			4,358,556	893,542	501,071
00.0301	Amphibious ships	515,800			355,455	47,745	27,070
00.0401	Mine warfare and patrol ships	344,500			35,382	179,869	17,589
00.0501	Auxiliaries, craft, and prior-year program	1,560,100			994,632	203,202	81,630
00.9101	Total direct program	11,032,390			6,539,371	1,450,556	709,211
01.0101	Reimbursable program	4				4	
10.0001	Total	11,032,394			6,539,371	1,450,560	709,211
Financing:							
Offsetting collections from:							
14.0001	Non-Federal sources(-)	-4			-4		
21.4002	Unobligated balance available, start of year:					-4,501,523	-3,042,483
21.4003	For completion of prior year budget plans					-558,336	-214,000
21.4007	Available to finance new budget plans						
22.4001	Reprogramming from/to prior year budget plan	8,500				352,836	
24.4002	Unobligated balance transferred to other acc						
24.4003	Unobligated balance available, end of year:						
24.4003	For completion of prior year budget plans	558,336	214,000	214,000	4,501,523	3,042,463	2,333,252
24.4003	Available to finance subsequent year budget				558,336	214,000	214,000
39.0001	Budget authority	11,599,226			11,599,226		
Budget authority:							
40.0001	Appropriation	11,736,000			11,736,000		
41.0001	Transferred to other accounts(-)	-136,774			-136,774		
43.0001	Appropriation (adjusted)	11,599,226			11,599,226		

Shipbuilding and Conversion, Navy
Program and Financing (in thousands of dollars) FISCAL YEAR 1986

Identification code	17-1611-2-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.
Program by activities:							
Direct program:							
00.0101	Fleet ballistic missile ships		1,309,400		758,800	156,552	
00.0201	Other warships		5,748,200		2,701,240	1,525,671	
00.0301	Amphibious ships		1,641,700		1,042,100	164,960	
00.0401	Mine warfare and patrol ships		381,700		139,300	37,621	
00.0501	Auxiliaries, craft, and prior-year program		1,759,400		1,114,320	163,913	
00.9101	Total direct program		10,840,400		5,755,760	2,070,717	
01.0101	Reimbursable program		1,050		1,050		
10.0001	Total		10,841,450		5,756,810	2,070,717	
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)		-1,050		-1,050		
21.4002	Unobligated balance available, start of year:					-5,084,640	
	For completion of prior year budget plans						
24.4002	Unobligated balance available, end of year:				5,084,640	3,013,923	
	For completion of prior year budget plans						
40.0001	Budget authority (appropriation)		10,340,400		10,840,400		

Shipbuilding and Conversion, Navy
Program and Financing (in Thousands of dollars) FISCAL YEAR 1987

Identification code	17-1611-0-1-051	Budget plan (amounts for PROCUREMENT actions programmed)			Obligations	
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est. 1987 est.
Program by activities:						
Direct program:						
00.0101	Fleet ballistic missile ships			1,509,100		986,492
00.0201	Other warships			7,322,500		3,597,717
00.0301	Amphibious ships			295,100		165,249
00.0401	Mine warfare and patrol ships			196,100		120,353
00.0501	Auxiliaries, craft, and prior-year program			1,703,400		1,249,293
00.9101	Total direct program.			11,046,200		6,119,104
01.0101	Reimburseab's program			1,100		1,100
10.0001	Total			11,047,300		6,120,204
Financing:						
Offsetting collections from:						
11.0001	Federal funds()			-1,100		-1,100
24.4002	Unobligated balance available, end of year:					4,927,096
	For completion of prior year budget plans					
40.0001	Budget authority (Appropriation)			11,046,200		11,046,200

Shipbuilding and Conversion, Navy
Program and Financing (in thousands of dollars) SUMMARY

Identification code	17-1611-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)				Obligations	
		1985 actual	1986 est.	1987 est.	1985 actual	1986 est.	1987 est.
Program by activities:							
Direct program:							
00.0101	Fleet ballistic missile ships	1,503,626	1,309,400	1,509,100	861,283	1,094,935	1,649,447
00.0201	Other warships	7,108,364	5,748,200	7,322,500	5,815,224	4,945,112	7,692,473
00.0301	Amphibious ships	515,800	1,641,700	255,100	494,855	1,238,934	577,959
00.0401	Line warfare and patrol ships	344,500	381,700	196,100	468,532	583,615	386,384
00.0501	Auxiliaries, craft, and prior-year program	1,560,100	1,759,400	1,763,400	1,447,616	1,633,072	1,668,744
00.9101	Total direct program	11,032,390	10,840,400	11,046,200	9,087,510	9,495,668	11,975,007
01.0101	Reimbursable program	4	1,050	1,100		1,801	1,100
10.0001	Total	11,032,394	10,841,450	11,047,300	9,087,510	9,497,469	11,976,107
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)		-1,050	-1,100	217	-1,050	-1,100
14.0001	Non Federal sources(-)	-4			-189		
17.0001	Recovery of prior year obligations				-5,800		
21.4002	Unobligated balance available, start of year						
21.4003	For completion of prior year budget plans	-85,100	-2,039,836	-992,100	-11,931,284	-11,721,866	-13,057,347
21.4007	Available to finance new budget plans	-2,160,070	-8,500		-85,100	-2,039,836	-992,100
22.4001	Reprogramming from/to prior year budget plan	443,540	1,056,236		443,540	1,056,236	
22.4001	Unobligated balance transferred to other acc						
24.4002	Unobligated balance available, end of year:						
24.4003	For completion of prior year budget plans	2,039,836	992,100	992,100	11,721,866	13,057,347	12,128,540
25.0001	Available to finance subsequent year budget	364,930			2,039,836	992,100	992,100
25.0001	Unobligated balance lapsing				364,930		
39.0001	Budget authority	11,635,526	10,840,400	11,046,200	11,635,526	10,840,400	11,046,200
Budget authority:							
40.0001	Appropriation	11,736,000	10,840,400	11,046,200	11,736,000	10,840,400	11,046,200
41.0001	Transferred to other accounts(-)	-136,774			-136,774		
50.0001	Appropriation (adjusted)	11,599,226	10,840,400	11,046,200	11,599,226	10,840,400	11,046,200
50.0001	Reappropriation	36,300			36,300		
Relation of obligations to outlays:							
71.0001	Obligations incurred, net				9,087,538	9,496,419	11,975,007
72.4001	Obligated balance, start of year				20,580,382	20,887,452	21,170,199
73.4001	Obligated balance, end of year				-20,387,452	-21,170,199	-23,528,125
77.0001	Adjustments in expired accounts				370,497		
78.0001	Adjustments in unexpired accounts				-5,800		
90.0001	Outlays				9,145,166	9,213,672	9,617,081

Shipbuilding and Conversion, Navy
Object Classification (in Thousands of dollars) SUMMARY

Identification code	17 1611-0-1-051	1985 actual	1986 est.	1987 est.
Direct obligations:				
Other services:				
125.003			178,204	189,175
125.004		272,451	121,828	124,927
126.001	Other	276,992	172,860	160,772
131.001	Supplies and materials	8,538,067	9,022,776	11,500,133
	Equipment			
199.001	Total Direct obligations	9,087,510	9,495,668	11,975,007
Reimbursable obligations:				
Other services:				
225.003	Contracts		12	14
225.004	Other		8	9
226.001	Supplies and materials		8	7
231.001	Equipment		1,773	1,070
299.001	Total Reimbursable obligations		1,801	1,100
999.901	Total obligations	9,087,510	9,497,469	11,976,107

STATUS OF COMPLETION OF PRIOR YEAR
SHIPBUILDING PROGRAMS

	Uncompleted thru 31 Dec 1985	To Be Completed in FY 1986	To Be Completed in FY 1987	To Be Completed in FY 1988 and Subsequent Years
FY 1980 and Prior Years				
Ships	4	4	0	0
New Construction	4	4	0	0
Conversion	0	0	0	0
FY 1981				
Ships	4	1	2	1
New Construction	4	1	2	1
Conversion	0	0	0	0
FY 1982				
Ships	16	10	6	0
New Construction	16	10	6	0
Conversion	0	0	0	0
FY 1983				
Ships	15	1	7	7
New Construction	14	1	6	7
Conversion	1	0	1	0
FY 1984				
Ships	19	2	2	15
New Construction	16	0	2	14
Conversion	3	2	0	1
FY 1985				
Ships	25	2	1	22
New Construction	22	0	0	22
Conversion	3	2	1	0
FY 1986				
Ships	27	0	4	23
New Construction	21	0	0	21
Conversion	6	0	4	2

The request for FY 1987 will provide for 21 new construction ships and 3 conversions.

BUDGET ACTIVITY NO.1 - BALLISTIC MISSILE SHIPS

(\$ in Thousands)

FY 1985 Actual	\$1,503,626
FY 1986 Estimate	\$1,309,400
FY 1987 Estimate	\$1,509,100
FY 1988 Estimate	\$1,516,500

PURPOSE AND SCOPE

Budget Activity 1 provides for the new construction of ballistic missile ships and supporting vessels and the conversion of existing ships to specialized configurations required to meet strategic objectives.

JUSTIFICATION OF FUNDS

The funds requested for appropriation/authorization for Budget Activity 1 include:

TRIDENT SSBN (NUCLEAR)

(\$ in Thousands)

<u>FY 1987</u>		<u>FY 1988</u>
QTY	QTY	AMT
<u>1</u>	<u>1</u>	<u>\$1,516,500</u>
AMT		
<u>\$1,509,100</u>		

The FY 1987 request provides full funding of \$1,362,700,000 for the fourteenth TRIDENT submarine plus advance procurement funds of \$146,400,000 for the procurement of critical long lead nuclear components for the sixteenth submarine planned in FY 1989. The FY 1988 authorization request provides full funding of \$1,362,800,000 for the fifteenth TRIDENT submarine plus advance procurement funds of \$153,700,000 to procure critical long lead ship nuclear components for the seventeenth ship planned in FY 1990.

TRIDENT SSBN CONT.

The TRIDENT mission is to provide an undersea strategic missile system in order to ensure that the U.S. continues to maintain a credible, survivable deterrent independent of foreseeable threats. TRIDENT submarines are highly survivable due to the incorporation of the latest state of the art in submarine quietness, mobility, and self-defense. Each has an integrated radio room designed to provide communication links in a hostile electromagnetic environment, and carries the latest in submarine defense systems. Other features include a 70-day patrol period, a 25-day turnaround period between patrols, not less than 9 year intervals between overhauls/refuelings, and a projected operating life of 30 years.

(\$ in Thousands)

FY 1985	Actual	\$7,108,364
FY 1986	Estimate	\$5,748,200
FY 1987	Estimate	\$7,322,500
FY 1988	Estimate	\$7,009,050

Budget Activity 2 provides for construction, conversion, modernization or service life extension of major warships other than ballistic missile ships.

The funds requested for appropriation/authorization for Budget Activity 2 include:

(\$ in Thousands)

	FY 1987	FY 1988
QTY	AMT	AMT
<u>4</u>	\$2,332,600	\$2,046,900
3		

The FY 1987 request provides full funding of \$2,047,800,000 for the construction of four SSN-688 Class nuclear submarines plus advance procurement funds of \$284,800,000 to provide for long lead time equipment for follow-on submarines in FY 1988 and FY 1989. The FY 1988 authorization request provides full funding of \$1,612,800,000 for three additional nuclear attack submarines and advance procurement funds of \$434,100,000 to procure critical long lead ship components for additional submarines in FY 1989 and 1990. Of the \$284,800,000 in FY 1987 advance procurement funds, \$197,900,000 is for nuclear propulsion equipment for the FY 1989 ships and \$86,900,000 is for long lead hull, mechanical, and electrical items for the FY 1988 program. The mission of the LOS ANGELES Class nuclear attack submarine is to destroy enemy ships, primarily submarines. It is a key element in our multi-type warfare forces. These submarines are the only weapons system capable of operating for long periods of time in waters under enemy air and surface control and are necessary to counter the new classes of Soviet high speed submarines.

SSN - 21 CLASS NEW DESIGN SUBMARINE (NUCLEAR)

(\$ in Thousands)

<u>FY 1987</u>		<u>FY 1988</u>	
<u>QTY</u>	<u>AMT</u>	<u>QTY</u>	<u>AMT</u>
-	\$454,300	-	\$160,200

The FY 1987 and FY 1988 requests include \$454,300,000 and \$160,200,000, respectively, for advance procurement in support of the lead SSN-21 submarine programmed in FY 1989. The SSN-21 submarine is intended to combat the rapidly increasing capabilities of the Soviet submarine force into the 1990's and beyond. The FY 1987 advance procurement request provides for detail design, long lead nuclear equipment and long lead government and contractor furnished material.

CV (SLEP) AIRCRAFT CARRIER

(\$ in Thousands)

<u>FY 1987</u>		<u>FY 1988</u>	
<u>QTY</u>	<u>AMT</u>	<u>QTY</u>	<u>AMT</u>
-	\$83,500	1	\$544,800

The FY 1987 request includes \$83,500,000 for long leadtime materials for the CV-63 (KITTY HAWK) Service Life Extension Program (SLEP) programmed in FY 1988. The FY 1988 authorization request provides full funding of \$529,200,000 for the CV-63 SLEP, plus \$15,600,000 for advance procurement for long leadtime materials for the CV-64 (CONSTELLATION) SLEP scheduled for FY 1991. The Aircraft Carrier SLEP extends the life of the eight conventionally powered big deck aircraft carriers from 30 years to a total of 45 years. The extension will be accomplished through a 37 month availability in which equipments, systems, and structure will be repaired or replaced as necessary.

CG-47 AEGIS GUIDED MISSILE CRUISER

(\$ in Thousands)

<u>FY 1987</u>	<u>FY 1988</u>
$\frac{QTY}{2}$	$\frac{QTY}{2}$
<u>AMT</u>	<u>AMT</u>
\$1,924,300	\$1,902,600

The FY 1987 request provides full funding of \$1,913,800,000 for construction of two AEGIS cruisers, plus \$10,500,000 for advance procurement items in support of multiyear procurement of the MK-45 gun. The FY 1988 authorization request includes \$1,888,000,000 for full funding of two AEGIS cruisers and \$14,600,000 for advance procurement items in support of multi-year procurement of the MK-45 gun. This class of cruisers deploys AEGIS and other advanced systems, augmented by passive protection features, including fragmentation protection of launchers and magazines. The CG-47 is broadly capable, heavily armed, and survivable. Employment of the proven DD-963 class hull and propulsion system reduces uncertainties and lifetime costs. The CG-47 class ships are able to conduct prompt and sustained combat operations as part of a Carrier Battle Group or Surface Action Group to neutralize or destroy hostile air, missile, surface, and subsurface threats, and defeat simultaneous coordinated attacks by such forces.

DDG-51 GUIDED MISSILE DESTROYER

(\$ in Thousands)

<u>FY 1987</u>	<u>FY 1988</u>
$\frac{QTY}{3}$	$\frac{QTY}{3}$
<u>AMT</u>	<u>AMT</u>
\$2,527,800	\$2,354,550

The FY 1987 request provides full funding of \$2,448,000,000 for construction of three DDG-51 Guided Missile Destroyers in FY 1987 and advance procurement of \$79,800,000 long lead government furnished equipment components for three additional ships programmed in FY 1988. The FY 1988 authorization request provides full funding of \$2,278,150,000 for three follow ships and \$76,400,000 of advance procurement funds in support of the three ships in the FY 1989 program. The advance procurement requests also include funds to support multi-year procurement of the MK 45 gun for the FY 1988, FY 1989, and FY 1990 programs. The DDG-51 will have a combat system which has the capability to perform simultaneous missions in Anti-air, Strike, Anti-Surface, and Anti-submarine warfare areas. The ship will operate as an integral part of the Carrier Battle Group components. The DDG 51 Class design provides outstanding combat capability and survivability while meeting procurement and lifetime support constraints.

BUDGET ACTIVITY NO. 3 - AMPHIBIOUS SHIPS

(\$ in Thousands)

FY 1985 Actual	\$ 515,800
FY 1986 Estimate	\$1,641,700
FY 1987 Estimate	\$ 255,100
FY 1988 Estimate	\$1,455,900

PURPOSE AND SCOPE

Budget Activity 3 provides for the construction, conversion, and service life extension of amphibious ships.

JUSTIFICATION OF FUNDS

The funds requested for appropriation/authorization for Budget Activity 3 include:

LSD-41 LANDING SHIP DOCK (CV)

(\$ in Thousands)

<u>FY 1987</u>	<u>FY 1988</u>
QTY	QTY
AMT	AMT
<u> </u>	<u> </u>
	\$311,200

The FY 1988 authorization request includes \$311,200,000 to fund one LSD-41 Class Dock Landing ship with the cargo variant configuration. The LSD will transport and launch amphibious craft and vehicles with their crews and embarked personnel in amphibious assault operations. It will also provide limited docking and repair services for conventional landing craft and Air Cushion Landing Craft (LCAC). The ship will differ from the original LSD-41 in that it will have two less LCAC and additional cargo capacity.

LHD-1 AMPHIBIOUS ASSAULT SHIP (MYP)

(\$ in Thousands)

<u>FY 1987</u>	<u>FY 1988</u>
QTY	QTY
AMT	AMT
<u>\$232,000</u>	<u> </u>
	\$1,046,900

LHD-1 AMPHIBIOUS ASSAULT SHIP (MYP) CONT.

The FY 1987 request includes \$232,000,000 of advance procurement funds for long leadtime material in support of the LHD multiyear program in FY 1988 and FY 1989. The FY 1988 authorization request includes full funding of \$873,000,000 for one ship and \$173,900,000 of advance procurement for the FY 1989 program. The FY 1988 and FY 1989 ships are the second and third ships of a 3 ship multi-year procurement initiated in FY 1986. The advance funding provides for economic order quantity procurement of construction materials and government furnished equipment. It also provides for efficient advance planning and prefabrication. The LHD-1 is a multi-purpose amphibious assault ship which will transport elements of the landing force (personnel, vehicles, cargo and POL), landing craft (LCAC or conventional), VSTOL aircraft, and helicopters, in support of an amphibious assault operation. In a convertible role the LHD will have the capability of deploying VSTOL aircraft and helicopters in secondary sea control and power projection missions.

AMPHIBIOUS (LPD) SERVICE LIFE EXTENSION PROGRAM

(\$ in Thousands)

	<u>FY 1987</u>	<u>FY 1988</u>
QTY	<u>-</u>	<u>-</u>
AMT	<u>\$23,100</u>	<u>\$97,800</u>

The FY 1987 authorization request includes \$23,100,000 for advance procurement of long lead materials in support of the amphibious LPD-4 Class Service Life Extension Program (SLEP) planned for FY 1989. The FY 1988 authorization request includes \$97,800,000 of advance procurement funding for the FY 1989 and FY 1990 programs. The amphibious SLEP will extend the 30-year service life of the LPD-4 class of ships by 15 years. The SLEP will accomplish survivability ship alterations and engineering equipment modernization. Capabilities of the ships will be improved to enable them to carry and support one LCAC, and four vice two CH-46 helicopter equivalents. Because of the short availability of the SLEP (14 months), successful execution is feasible only with advance procurement of one and two year long lead material.

BUDGET ACTIVITY NO.4 - MINE WARFARE AND PATROL SHIPS

(\$ in Thousands)

FY 1985 Actual	\$344,500
FY 1986 Estimate	\$381,700
FY 1987 Estimate	\$196,100
FY 1988 Estimate	\$454,000

PURPOSE AND SCOPE

Budget Activity 4 provides for the construction and conversion of ships with minesweeping capability, as well as patrol and escort ships.

JUSTIFICATION OF FUNDS

The funds requested for appropriation/authorization for Budget Activity 4 include:

MCM MINE COUNTERMEASURES SHIP

(\$ in Thousands)

<u>FY 1987</u>	<u>FY 1988</u>
QTY	QTY
<u>4</u>	<u>3</u>
AMT	AMT
<u>-</u>	<u>\$272,200</u>

Authorization of \$272,200,000 is requested for three additional MCMs in FY 1988. These ship will be built to military standards and will be an effective platform from which to operate new mine hunting and neutralizing equipments. The MCM will have the capability to conduct mine clearance operations.

MSH COASTAL MINE HUNTER

(\$ in Thousands)

<u>FY 1987</u>	<u>FY 1988</u>
QTY	QTY
<u>4</u>	<u>4</u>
AMT	AMT
<u>\$196,100</u>	<u>\$181,800</u>

MSH COASTAL MINE HUNTER CONT.

Appropriation of \$196,100,000 is requested for four MSH ships in FY 1987. Authorization of \$181,800,000 is requested for four additional MSH ships in FY 1988. The MSH is a new class of coastal minehunting ships capable of mine reconnaissance, classification, and neutralization of moored and bottom mines in a U.S. harbor and coastal environment.

BUDGET ACTIVITY NO.5 - AUXILIARIES, CRAFT, AND PRIOR YEAR PROGRAM COSTS

(\$ in Thousands)

FY 1985 Actual	\$1,560,100
FY 1986 Estimate	\$1,759,400
FY 1987 Estimate	\$1,763,400
FY 1988 Estimate	\$1,860,400

PURPOSE AND SCOPE

Budget Activity 5 provides for the construction, conversion and acquisition of auxiliary ships and craft, as well as other costs such as outfitting, post delivery, contract design, cost growth, and escalation on prior year shipbuilding programs when required.

JUSTIFICATION OF FUNDS

The funds requested for appropriation/authorization for Budget Activity 5 include:

TAO FLEET OILER

(\$ in Thousands)

<u>FY 1987</u>	<u>QTY</u>	<u>AMT</u>	<u>FY 1988</u>	<u>QTY</u>	<u>AMT</u>
	2	\$275,500		2	\$319,900

The FY 1987 request of \$275,500,000 provides for two TAO Fleet Oilers. Authorization of \$319,900,000 is requested in FY 1988 for two additional ships. The Fleet Oiler will operate as a unit of an Underway Replenishment Group to furnish petroleum products to operating forces at sea. The ship will be capable of replenishing from five stations simultaneously and will also be capable of replenishment of fleet freight, mail, and personnel.

AO(J) FLEET OILER (JUMBO)

(\$ in Thousands)

<u>FY 1987</u>	<u>QTY</u>	<u>AMT</u>	<u>FY 1988</u>	<u>QTY</u>	<u>AMT</u>
	1	\$ 62,300		1	\$ 49,500

AO(J) FLEET OILER (JUMBO) CONT.

The FY 1987 request of \$62,300,000 is for the conversion of one Fleet Oiler (Jumbo). Authorization of \$49,500,000 is requested in FY 1988 for an additional Fleet Oiler (Jumbo) conversion. The mission of the AO (J) is to transport bulk petroleum, oil and lubricants (POL) from shore depots to AOE's, AOR's, AO's, TAO's, and other ships. In addition, the AO(J) is intended to receive and deliver, by connected replenishment, fleet freight, mail and personnel. The conversion of one Fleet Oiler (JUMBO) will permit orderly integration to replace aging (AO-98/99) capability and provide multi-product delivery ships for increased operational flexibility.

TAGOS OCEAN SURVEILLANCE SHIP

(\$ in Thousands)

	<u>FY 1987</u>		<u>FY 1988</u>
QTY		QTY	
3		3	
AMT		AMT	
\$148,100		\$193,900	

The FY 1987 request includes \$148,100,000 for the last three monohull TAGOS Ocean Surveillance ships. Authorization of \$193,900,000 is requested in FY 1988 for three TAGOS hulls designed with the SWATH (Small Water Plane Area Twin Hull) configuration. TAGOS ships will be used as a unit of the Military Sealift Command to support the towed arrays and data processing/transmitting equipments of the SURTASS system which collects, processes, and transmits acoustic data.

AE AMMUNITION SHIP

(\$ in Thousands)

	<u>FY 1987</u>		<u>FY 1988</u>
QTY		QTY	
-		1	
AMT		AMT	
\$ ---		\$369,800	

Authorization of \$369,800,000 is requested for the procurement of the lead AE 36 Class Ammunition Ship in FY 1988. The mission of the AE 36 Class is to deliver ammunition to combatant and battle group station ships such as AOF and AOR. In the absence of a station ship the AE is equipped to operate as a battle group ammunition reservoir.

AOE FAST COMBAT SUPPORT SHIP

(\$ in Thousands)			
	<u>FY 1987</u>	<u>FY 1988</u>	
QTY			
1			
	AMT		AMT
	\$612,700		-

The FY 1987 appropriation request includes \$612,700,000 for one AOE Fast Combat Support Ship. The AOE will deliver on-station munitions, bulk POL, and dry and frozen provisions to battle groups underway in hostile environments. The AOE significantly extends the endurance of the Battle Group for combat operations.

OCEANOGRAPHIC RESEARCH SHIP

(\$ in Thousands)			
	<u>FY 1987</u>	<u>FY 1988</u>	
QTY			
1			
	AMT		AMT
	\$ 33,000		\$ ---

The request for \$33,000,000 in FY 1987 is for the procurement of one oceanographic research ship. This Navy-owned research vessel will be utilized by the civilian academic oceanographic research community. The oceanographic research ship will replace inefficient ships approaching technological obsolescence and meet changing oceanographic requirements for general year round worldwide ocean research (which includes launching, towing and recovering a variety of equipment) and hydrographic data collection.

SERVICE CRAFT

(\$ in Thousands)

<u>FY 1987</u>	<u>FY 1988</u>
QTY	QTY
<u>-</u>	<u>-</u>
AMT	AMT
<u>\$39,900</u>	<u>\$30,200</u>

Appropriation of \$39,900,000 is requested in FY 1987 for three Floating Cranes (YD), two fuel barges (YON), two oil storage barges (YOS), and one Torpedo Test Craft (YTT). Authorization of \$30,200,000 is requested in FY 1988 for three floating cranes (YD), six lighters (YC), four fuel barges (YON), three oil storage barges (YOS) and one Aircraft Transportation Lighter (YCV).

LANDING CRAFT

(\$ in Thousands)

<u>FY 1987</u>	<u>FY 1988</u>
QTY	QTY
<u>-</u>	<u>-</u>
AMT	AMT
<u>\$19,000</u>	<u>\$60,500</u>

Appropriation of \$19,000,000 is requested in FY 1987 for one Special Warfare Craft Medium (SWCM). Authorization of \$60,500,000 is requested in FY 1988 for four follow SWCM. These craft are designed to transport, support, insert, extract, and defend special warfare elements.

STRATEGIC SEALIFT (RRF) READY RESERVE FORCE

(\$ in Thousands)

<u>FY 1987</u>	<u>FY 1988</u>
QTY	QTY
<u>-</u>	<u>-</u>
AMT	AMT
<u>\$27,800</u>	<u>\$50,400</u>

STRATEGIC SEALIFT (RRF) READY RESERVE FORCE CONT.

The FY 1987 appropriation request includes \$27,800,000 for the acquisition of ships for the Ready Reserve Force (RRF). Authorization of \$50,400,000 is requested for funding acquisition of additional ships for the Ready Reserve Force in FY 1988. The Ready Reserve Force is a subset of the National Defense Reserve Fleet which provides timely sealift capability to promptly outload and transport those forces that may be expected to be deployed in a contingency or reinforcement scenario. The ships which will be acquired are suitable for military support operations and will permit the Department to take advantage of the currently favorable market for purchase of sealift vessels.

LCAC LANDING CRAFT AIR CUSHION

(\$ in Thousands)

	<u>FY 1987</u>		<u>FY 1988</u>
QTY	<u>-</u>	QTY	<u>9</u>
AMT	<u>-</u>	AMT	<u>\$221,300</u>

The FY 1988 authorization request includes \$204,300,000 for full funding of nine LCACs and \$17,000,000 for advance procurement in support of the FY 1989 program. The Landing Craft Air Cushion (LCAC) is a fully amphibious air cushion vehicle capable of operating from existing and planned well deck ships. The LCAC transports weapons systems, equipment, cargo, and personnel of the assault elements of the Marine Air/Ground Task Force both from ship to shore and across the beach.

SEALIFT ENHANCEMENT: CRAFTS (CIVIL RESERVE AUXILIARY FLEET SHIPS) PROGRAM

(\$ in Thousands)

	<u>FY 1987</u>		<u>FY 1988</u>
QTY	<u>-</u>	QTY	<u>-</u>
AMT	<u>\$ 20,700</u>	AMT	<u>\$ 18,400</u>

The FY 1987 appropriation request of \$20,700,000 provides for installation of sealift enhancement features on U.S. flag commercial ships. Authorization of \$18,400,000 is requested to continue this program in FY 1988. Sealift enhancement features enable commercial ships to have military useful features at mobilization.

OUTFITTING MATERIAL

(\$ in Thousands)			
	<u>FY 1987</u>	<u>FY 1988</u>	
QTY	-	QTY	-
	<u>AMT</u>		<u>AMT</u>
	\$226,100		\$286,300

The FY 1987 appropriation request provides \$226,100,000 for Outfitting. The authorization request of \$286,300,000 for FY 1988 will provide for additional outfitting material. Outfitting material consists of government furnished repair parts and other material required to fill ships' initial allowance of storeroom and operating space items.

POST DELIVERY

(\$ in Thousands)			
	<u>FY 1987</u>	<u>FY 1988</u>	
QTY	-	QTY	-
	<u>AMT</u>		<u>AMT</u>
	\$167,800		\$137,600

The FY 1987 request includes \$167,800,000 for Post Delivery. Authorization of \$137,600,000 is requested in FY 1988. Post Delivery costs include the design, planning, government furnished material, and related labor costs required to correct ship deficiencies defined during acceptance and shakedown trails. It is limited to the work which can be accomplished within eleven months following Completion of Fitting Out. All funds required for correction of deficiencies for a particular ship are budgeted in the first fiscal year in which funding is required.

TACS AUXILIARY CRANE SHIP (CONVERSION)

(\$ in Thousands)			
	<u>FY 1987</u>	<u>FY 1988</u>	
QTY	2	QTY	2
	<u>AMT</u>		<u>AMT</u>
	\$61,100		\$59,900

The FY 1987 request includes \$61,100,000 for the modification of two ships to the TACS crane ship configuration. The authorization request in FY 1988 will provide \$59,900,000 to modify two follow-on TACS ships. The TACs' primary mission is to offload non-self-sustaining container ships brought alongside in moderate conditions of sea and swells. The TACS ships will permit offloading of container ships at locations where container facilities do not exist or are inoperable.

CONTRACT DESIGN

(\$ in Thousands)

	FY 1987	FY 1988
QTY	AMT	AMT
-	\$ 69,400	\$ 62,700

The FY 1987 request of \$69,400,000 reflects the transfer of Contract Design funding from the RDT&E,N appropriation to the SCN appropriation based on direction in the FY 1986 DOD authorization act. The FY 1988 authorization request of \$62,700,000 continues funding contract design in SCN. Contract design provides for a complete technical and contractual definition of the ship design sufficient for a shipbuilder to make a sound estimate of the ship's cost and building schedule.

COMPARISON OF FY 1985 PROGRAM REQUIREMENTS AS REFLECTED
IN FY 1986 BUDGET WITH FY 1985 PROGRAM REQUIREMENTS AS
SHOWN IN FY 1987 BUDGET

SUMMARY OF REQUIREMENT (IN THOUSANDS OF DOLLARS)

	Total Program Requirements Per 1986 Budget	Program Requirements Per 1987 Budget	Increase (+) or Decrease (-)
Fleet Ballistic Missile Ships	\$ 1,596,800	\$ 1,503,626	\$- 93,174
Other Warships	\$ 7,414,426	\$ 7,108,364	\$- 306,062
Amphibious Ships	\$ 543,700	\$ 515,800	\$- 27,900
Mine Warfare and Patrol Ships	\$ 344,500	\$ 344,500	\$ 0
Auxiliaries, Craft and PY Program Costs	\$ 1,685,100	\$ 1,560,100	\$- 125,000
Reimbursable Program	\$ 1,000	\$ 4	\$- 996
Total Fiscal Year Program	\$11,585,526	\$11,032,394	\$- 553,132

EXPLANATION BY BUDGET ACTIVITY
(\$ IN THOUSANDS)

1. FLEET BALLISTIC MISSILE SHIPS (\$-93,174) - The FY 1986 budget submission reflected pending reprogrammings from the TRIDENT program to other DOD appropriations of \$151,400. Congress subsequently approved \$111,174 in reprogrammings, leaving an increase to the program of \$40,226. The FY 1987 submission also reflects a prior year transfer reduction from the TRIDENT program of \$133,400 as a potential offset for military personnel requirements, leaving a net decrease to the budget activity of \$93,174.
2. OTHER WARSHIPS (\$-306,062) - The FY 1987 budget submission reflects prior year transfers from the CG-47 (\$-157,500) and DDG-51 (\$-74,000) programs as potential offsets for FY 86 requirements as specified in the FY 1986 appropriation act. Other changes to the CG-47 program include reductions for offsets to the FY 1985 DOD supplemental (\$-29,100), an approved reprogramming to the RDT&E, DA appropriation (\$-5,000), and a pending reprogramming to the WPN appropriation (\$-40,536). Lastly, a reprogramming action from the CG-47 program to the RDT&E,N appropriation was not approved as requested in the FY 1986 submission (\$+74).
3. AMPHIBIOUS SHIPS (\$-27,900) - The FY 1987 budget submission reflects prior year transfer reductions from the LSD-41 (\$-12,900) and LPD-4 SLEP advance procurement (\$-15,000) line items as potential offsets for military personnel requirements.
4. MINE WARFARE AND PATROL SHIPS - No Change.

5. AUXILIARIES, CRAFT, AND PRIOR YEAR PROGRAM COSTS (\$-125,000) - The FY 1987 budget submission reflects prior year transfer reductions from the TAO (\$-59,600), TAGOS (\$-28,700), TAGS (\$-28,300), TACS (\$-2,000), and Post Delivery (\$-6,400) line items as potential offsets for military personnel requirements.

6. REIMBURSABLE (\$-996) - Miscellaneous adjustment.

COMPARISON OF FY 1986 PROGRAM REQUIREMENTS AS REFLECTED
IN FY 1986 BUDGET WITH FY 1986 PROGRAM REQUIREMENTS AS
SHOWN IN FY 1987 BUDGET

SUMMARY OF REQUIREMENT (IN THOUSANDS OF DOLLARS)

	Total Program Requirements Per 1986 Budget	Program Requirements Per 1987 Budget	Increase (+) or Decrease (-)
Fleet Ballistic Missile Ships	\$ 1,531,800	\$ 1,309,400	\$-222,400
Other Warships	\$ 5,825,800	\$ 5,748,200	\$- 77,600
Amphibious Ships	\$ 1,921,600	\$ 1,641,700	\$-279,900
Mine Warfare and Patrol Ships	\$ 518,600	\$ 381,700	\$-136,900
Auxiliaries, Craft and PY Program Costs	\$ 1,613,800	\$ 1,759,400	\$+145,600
Reimbursable Program	\$ 1,000	\$ 1,050	\$+ 50
Total Fiscal Year Program	\$11,412,600	\$10,841,450	\$-571,150

EXPLANATION BY BUDGET ACTIVITY
(\$ IN THOUSANDS)

1. FLEET BALLISTIC MISSILE SHIPS (\$-222,400) - Congressional action on the FY 1986 budget reduced TRIDENT full funding by \$132,300 (including \$-45,300 as part of the undistributed inflation reduction) and TRIDENT advance procurement by \$90,100.
2. OTHER WARSHIPS (\$-77,600) - Congressional action on the FY 1986 budget included reductions to the SSN-688 advance procurement (\$-98,800), CV SLEP advance procurement (\$-81,400), CG-47 (\$-113,700), and DDG-51 advance procurement (\$-90,300) line items. An additional reduction was applied to the SSN-688 (\$-68,700) and CG-47 (\$-40,200) as part of the undistributed Congressional inflation reduction. Congressional action also provided for reactivation of the BB-64 in FY 1986 (\$+415,500).
3. AMPHIBIOUS SHIPS (\$-279,900) - Congressional action on the FY 1986 budget included reductions to the LSD-41 (\$-11,000), LHD-1 (\$-600), and LHD-1 advance procurement (\$-193,000) line items. An additional reduction was applied to the LSD-41 (\$-30,000) and LHD-1 (\$-45,300) programs as part of the undistributed Congressional inflation reduction.
4. MINE WARFARE AND PATROL SHIPS (\$-136,900) - Congressional action on the FY 1986 budget reduced the number of MCM ships from four to two (\$-136,900).

EXPLANATION BY BUDGET ACTIVITY CONT.
(\$ IN THOUSANDS)

5. AUXILIARIES, CRAFT, AND PRIOR YEAR PROGRAM COSTS (\$+145,600) - Congressional action on the FY 1986 budget included reductions to the TAO (\$-50,000), AG (\$-11,900), Service Craft (\$-16,800), and Landing Craft (\$-34,400) line items. An additional \$-12,200 reduction was applied to the TAO program as part of the undistributed Congressional inflation reduction. Congressional action also provided for an addition of \$25,000 to the Strategic Sealift program, establishment of an MCM Cost Growth line item (\$+97,000), and full funding of the MTSD conversion in FY 1986 (\$+148,900).
6. REIMBURSABLE PROGRAM (\$+50) - Miscellaneous adjustment (\$+50).

COMPARISON OF FY 1985 FINANCING AS REFLECTED
IN FY 1986 BUDGET WITH FY 1985 FINANCING AS
SHOWN IN FY 1987 BUDGET
(\$ IN THOUSANDS)

	Financing Per FY 1986 Budget	Financing Per FY 1987 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	\$11,585,526	\$11,032,394	\$- 553,132
Program Requirements (Service Account)	(\$11,584,526)	(\$11,032,390)	(\$- 552,136)
Program Requirements (Reimbursable)	(\$1,000)	(4)	(\$-996)
Less: Anticipated Reimbursements	\$ 1,000	4	\$- 996
Plus: Reprogrammings	0	\$ 8,500	\$+ 8,500
Unobligated Balance Available to Finance Subsequent Year Budget	0	\$ 558,336	\$+ 558,336
Appropriation (Adjusted)	\$11,584,526	\$11,599,226	\$+ 14,700

EXPLANATION OF CHANGES IN FINANCING

The Fiscal Year 1985 budget has changed since the presentation of the FY 1986 budget as noted below:

1. Program requirements.	There has been an decrease of	\$- 553,132
Service Account.....		\$- 552,136
Reimbursable.....		996

2. The new program requirement change of \$-553,132 reflects the deletion of \$517,800 to offset FY 1986 requirements as specified in the FY 1986 appropriation review, a decrease of \$29,100 as an offset for the FY 1985 DOD Supplemental appropriation, an increase of \$35,300 to reflect various reprogramming actions to other DOD appropriations which were approved for less than submitted, a decrease of \$49,536 to reflect a pending reprogramming action to the WPN appropriation, and a miscellaneous decrease of \$996 to the reimbursable account.

COMPARISON OF FY 1986 FINANCING AS REFLECTED
IN FY 1986 BUDGET WITH FY 1986 FINANCING AS
SHOWN IN FY 1987 BUDGET
(\$ IN THOUSANDS)

	Financing Per FY 1986 Budget	Financing Per FY 1987 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	\$11,412,600	\$10,841,450	\$-571,150
Program Requirements (Service Account)	(\$11,411,600)	(\$10,840,400)	(\$-571,200)
Program Requirements (Reimbursable)	(\$1,000)	(\$1,050)	\$+ (50)
Less:			
Anticipated Reimbursements	\$ 1,000	\$ 1,050	\$+ 50
Appropriation (Adjusted)	\$11,411,600	\$10,840,400	\$-571,200

EXPLANATION OF CHANGES IN FINANCING

The Fiscal Year 1986 budget has changed since the presentation of the FY 1986 budget as noted below:

1. Program requirements. There has been an decrease of\$-571,150
Service Account (reflects approved appropriation vice amount requested).....\$-571,200
Reimbursable (misc).....\$+ 50